

# PK WEALTH ESTATES 101

## What are Estates & why is Estate planning important?

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An estate encompasses all the property, assets, and debts that an individual owns or owes at the time of their death.

Having an estate plan ensure your wishes are carried out after you're passing, your assets are transferred tax efficiently, and your loved ones are taken care off.

## How are Estates integrated in wealth management?

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Topic	Explanation
Wills	A legal document that expresses how you want your property and assets distributed after your death.
Trusts	A separate entity that administers the assets & obligations, and the owner foregoes ownership. It allows to bypass probates, set up estate freezes, and efficiently managing taxes.
Beneficiaries	Selecting who will receive which part of the estate. Not having beneficiaries named can lead to probate court & delay in distribution of estate.
Probate	The process of the courts formally accepting a will, or appointing someone to act on behalf of estate if no will. The process is designed to verify that the testator has passed away, that that person was the author of the will, and that it's a valid will.

Topic	Explanation
Power of attorney / Executor	A will names an executor to administer the estate of a deceased individual, a power of attorney grants decision-making authority while the grantor is still alive.
Healthcare directives	A document that outline treatment decisions that a patient has asked to be followed if they become unable to communicate or make decisions for themselves. Also called a living will.
Dependants	Dependants are the spouses, children, & disabled dependants of the deceased. They can apply for an appeal if they feel inadequately compensated in your Will. The court can review the Will & if necessary, redistribute your estate to properly provide for your dependants.
Asset rollover	You can rollover assets such as RRSP, TFSA, & properties to your spouse tax free. Annuities can also be purchased from registered accounts meant to be transferred to financially dependant children.
Insurance	Life insurance proceeds go directly to one or more beneficiaries , tax-free. The life insurance proceeds can be used to pay off your debts and funeral expenses.
Estate tax minimization	The difference between the value of assets when a person dies and the original price paid is called the capital gain. The capital gain must be declared on gains in the estate & tax minimization strategies can be used.